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First Quarter marked by internationalization

In the first quarter of 2016, Atlantic Grupa recorded total sales of HRK 1.155 billion, which is the revenue level recorded in the same period 2015. Earnings before interest and taxes (EBIT) amount to HRK 69.8 million, and are lower by 5.1%, primarily due to the investments related to starting up of own distribution companies in Germany and Austria and unfavourable foreign currency exchange rate movements. Net profit after minority interests amounts to HRK 45.3 million, which is a 1.6% growth compared to the first quarter of 2015.

Among the important business events in the first three months, main highlight is the completion of preparations for business expansion in Germany and Austria, where Atlantic Grupa has established its own distribution companies towards the end of 2015, with the intention of further significant listings of selected range of own brands with key accounts in these markets.

"After the excellent results achieved in the previous year, Atlantic Grupa continues to implement the strategy of further internationalization by expanding the distribution network into new markets. The final goal of a strategy defined in this manner is to significantly increase the share of the extra-regional markets in the total revenue of the company. At the same time, we are continuing with the development of the overall business, by opening new specialized Farmacia stores, launching new products and developing our portfolio, entering new markets, and with undiminished focus on further development of the distribution network in the region. In the remainder of 2016, we will continue with active risk management and optimization of business operations and management of the financial obligations of the company," commented Emil Tedeschi, president and CEO of Atlantic Grupa.

Analysing the sales structure, the overall growth of Atlantic Grupa in the first quarter of 2016 was led by the Strategic Business Unit Savoury Spreads with a growth of 22.3% and Strategic Business Unit Snacks with a 3.2% growth, Strategic Distribution Unit HoReCa with a 19.8% growth, Distribution Unit Slovenia with a 7.8% growth and Strategic Distribution Unit Croatia with a growth of 3.8%. With 18.6% share in the total sales, coffee stands out as the largest individual category, with HRK 214.9 million.



Analysed by individual markets, the highest growth of 8.9% was recorded in the Slovenian market, which accounts for 17% of the total revenues; it is followed by the B&H market which reports a growth of 8.5%, and which is the fourth largest market of Atlantic Grupa with a 7.5% share, and the single greatest market of Croatia with a 26.6% share in total sales and a growth of 2.8%. Atlantic Grupa's own brands account for 64.8% of the total sales, principals' brands from the distribution portfolio account for 20.5%, the pharmacy chain Farmacia for 7.4%, while the products that Atlantic Grupa produces as private labels for large business systems in Croatia and abroad participate in the total sales with 7.4%.

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